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**TAX PREPARER CHARGED WITH ASSISTING IN THE PREPARATION OF
FALSE TAX RETURNS; SEPARATE TAX ADVISOR AND TAXPAYER
CHARGED WITH CONSPIRING TO EVADE INCOME TAXES**

SACRAMENTO - United States Attorney McGregor W. Scott announced today the indictment of defendant CHARLES J. SIGERSETH, 65, formerly of El Macero, California, and currently of Missoula, Montana; defendant CALVIN L. AVILA, believed to be 68, of Sacramento, California, and defendant STEVE LUNGGAT TACANG, 57, of Vallejo, California, for a variety of criminal tax violations.

Both cases are the product of extensive investigations by special agents of the Internal Revenue Service-Criminal Investigation division.

On April 6, 2005, a federal grand jury sitting in Sacramento returned an indictment against defendants SIGERSETH and AVILA charging both defendants with conspiracy to defraud the United States, charging defendant SIGERSETH with two counts of attempted tax evasion, and charging defendant AVILA with two counts of aiding and abetting attempted tax evasion. The same day, the federal grand jury returned an unrelated indictment against defendant TACANG charging him with twenty-eight counts of assisting the preparation of false tax returns.

Defendant SIGERSETH was arrested today in Missoula and made his initial appearance in the U.S. Magistrate's Court in Missoula. Defendant AVILA was arrested today in Sacramento and will make his initial appearance on Friday in the U.S. Magistrate's Court in

Sacramento. Defendant TACANG made his initial appearance today in U.S. Magistrate's Court in Sacramento. He was released on \$100,000 bail and ordered to appear for a status conference on April 22, 2005 before Judge Garland E. Burrell, Jr.

"As April 15 fast approaches, these cases serve as stark reminders that there can be severe consequences for unlawfully avoiding paying ones taxes," said United States Attorney Scott.

Roger L. Wirth of IRS Criminal Investigation said, "Each of these indictments and arrests point to the fact that filing a false and fraudulent tax return and tax evasion are serious crimes and that taxpayers should be careful in selecting the tax professional who will prepare their return."

SIGERSETH & AVILA

According to AUSA Robert Tice-Raskin, who is prosecuting both cases, the first indictment alleges that defendant SIGERSETH was the principal owner and operator of the Sigerseth Insurance Group, and Sigerseth Insurance Associates, Agents/Brokers, which sold insurance in Sacramento, California. Defendant AVILA was the principal owner and operator of a Sacramento entity named "The Firm," which provided trust and tax advice for clients and created and maintained trusts for clients.

On September 23, 1999, the IRS issued Notices of Deficiency to defendant SIGERSETH and his wife, and various entities and trusts associated with his insurance business and family, advising him that he owed more than \$1 Million in taxes and penalties for the years 1995 and 1996. Thereafter, defendant SIGERSETH retained the services of defendant AVILA, and the two of them jointly conspired to impair, impede and obstruct the IRS from collecting the taxes owed by defendant SIGERSETH by concealing defendant SIGERSETH's income and assets from the IRS

Among other things, defendants SIGERSETH and AVILA placed defendant SIGERSETH's insurance business and personal assets, including his home and his cars, in new trusts which they created. Although these trusts nominally were controlled by defendant AVILA, in fact, they were ultimately controlled by and maintained for the benefit of defendant SIGERSETH. In addition, defendants opened new bank accounts for the trusts utilizing fictitious Taxpayer Identification Numbers, transferred defendant SIGERSETH's income into the new bank accounts, and then surreptitiously disbursed income from the accounts to pay SIGERSETH's business and personal expenses. At the same time, defendant SIGERSETH filed a frivolous appeal of the 1995 and 1996 tax deficiencies for the purpose of delaying the ultimate assessment of taxes by the IRS. During the course of the litigation, defendant SIGERSETH refused to comply with discovery requests, filed various meritless motions, and ultimately failed to appear for trial.

TACANG

It is alleged in the second indictment that defendant TACANG was the principal owner and operator of EST Enterprise, a tax preparation business which operated in Vallejo, California. On various dates between April, 2002 and March, 2004, defendant TACANG willfully aided and assisted at least ten separate taxpayers in the preparation and presentation to the Internal Revenue Service of 28 U.S. Individual Income Tax Returns, Forms 1040, which were fraudulent and were false as to material matters. Specifically, the tax returns falsely represented that the taxpayer(s) were entitled to claim Schedule A deductions for charitable donations, unreimbursed business expenses, use of safe deposit boxes and closing costs in certain designated amounts, when defendant knew that the taxpayers, in fact, only were entitled to claim deductions in substantially lesser amounts.

If convicted, the maximum penalty under federal law for each offense charged against

defendant SIGERSETH and AVILA is 5 years imprisonment, as well as a fine of \$250,000. The maximum penalty for each offense charged against defendant TACANG is 3 years imprisonment, as well as a fine of \$250,000.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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